

The House Committee on Education offers the following substitute to SR 153:

A RESOLUTION

1 Proposing an amendment to the Constitution so as to authorize the General Assembly to
2 provide by local law for the creation and comprehensive regulation of education
3 improvement districts for the provision of facilities or land for one or more public or special
4 schools; to provide for the submission of this amendment for ratification or rejection; and for
5 other purposes.

6 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 SECTION 1.

8 Article VIII of the Constitution is amended by adding a new section to read as follows:

9 SECTION VIII.

10 EDUCATION IMPROVEMENT DISTRICTS

11 Paragraph I. **Creation.** The General Assembly may by local law create one or more
12 education improvement districts to provide for facilities or land for one or more schools as
13 provided in this section, which education improvement districts shall be considered public
14 entities.

15 Paragraph II. **Purposes.** The purpose of an education improvement district shall be the
16 provision of facilities or purchase of land for one or more public schools established by a
17 board of education under Article VIII, Section V, Paragraph I of this Constitution, one or
18 more special schools established under Article VIII, Section V, Paragraph VII of this
19 Constitution, or a combination of such public schools and special schools. Facilities may
20 include construction of new school facilities, capital improvements to existing school
21 facilities, leasing of school facilities, or a combination thereof. Facilities may also include
22 pre-kindergarten programs within a public school or special school.

23 Paragraph III. **Boundaries.** Any education improvement district shall be composed of a
24 single, contiguous geographical area containing at least 500 acres and containing a

population of at least 2,000 persons and may include portions of one or more school systems.

Paragraph IV. **Local law.** (a) The local law creating an education improvement district shall include the following:

(1) A description of the facility or facilities for which the district is created, the land to be purchased for the public or special school or schools, or both;

(2) A description of the geographical area which comprises the district;

(3) The establishment of the administrative body for the education improvement district and the number of members of the administrative body. The membership shall include representation from each local board of education included within the education improvement district, if one or more public schools are to be benefitted, and representation from the governing board of each special school if such special school is to be benefitted, and the method of selection of all members shall be specified in the local law;

(4) The duties and powers of the administrative body, which may include:

(A) The power to contract;

(B) The power to enter into cooperative agreements with local governments in accordance with Paragraph VI of this section and to act on such agreements;

(C) The acceptance of bequests, donations, assistance with or guarantees of any loans or other instruments of indebtedness, and grants and transfers of land, buildings, and other property from individuals, private entities, counties, municipalities, local boards of education, the State Board of Education, the Board of Regents, or other entities of the State of Georgia;

(D) The incurrence of debt, without regard to the requirements of Article IX, Section V of this Constitution, which debt shall be backed by the full faith, credit, and taxing power of the education improvement district and which debt may be backed by the full faith, credit, and taxing power of the applicable local board of education, in the case of a public school or schools, or the state, in the case of a special school or schools as specified in the local law;

(E) The retention of an administrative fee, which shall not exceed any maximum amount set out in the local law, to cover actual costs, which may include per diem amounts for administrative body members and necessary expenses; and

(F) The authority to levy ad valorem taxes within the education improvement district in accordance with Paragraph V of this section and the maximum tax rate which may be levied.

(5) The duration of the education improvement district, which shall be the later of:

61 (A)(i) For construction or capital improvements of the facility or facilities for
62 which the education improvement district is established, the completion of such
63 construction or capital improvements;

64 (ii) For the purchase of land, the completion of such purchase; or

65 (iii) For the lease of a facility, the end of the initial lease, which duration may be
66 specifically limited in the local law;

67 (B) Upon the completion of payment of all debt incurred for the construction or
68 capital improvements, purchase of land, or lease of the facility or facilities for which
69 the education improvement district is established; or

70 (C) Upon the date or the occurrence of an event as set out in the local law;

71 (6) The estimated maximum costs relating to the construction, capital improvements,
72 or lease of the facility or facilities, the purchase of land, or both;

73 (7) Provision for lowering the tax, ceasing to collect the tax at an earlier date, refunds
74 to taxpayers, or any other appropriate mechanism, in the event that actual costs for the
75 facility or facilities, the purchase of land, or both is less than the estimated maximum
76 costs presented in the referendum; and

77 (8) The right, title, interest, and ownership of any new facility or facilities or land
78 purchased, which may be vested in the administrative body of the education improvement
79 district, the applicable local board of education in the case of public schools, or in the
80 state, in the case of special schools as specified in the local law; provided, however, that
81 if ownership is vested in an education improvement district, the local law shall provide
82 for the transfer of ownership to the applicable local board or boards of education or, for
83 a special school, for the transfer of ownership to a local board of education or the state
84 or for the sale to a public or private entity, upon dissolution of the education improvement
85 district. If a facility or facilities or land is sold by an education improvement district to
86 a public or private entity, the local law shall provide for distribution or use of proceeds
87 from such sale, which may include refunds or credits to taxpayers. The design and
88 construction of a new facility or of capital improvements to an existing facility may be
89 conducted by the local board of education, the governing body of a special school, the
90 education improvement district, or some other entity, as designated in the local law. The
91 local law may address occurrences such as closure and sale of a facility provided for
92 under the district.

93 (b) Any local law creating an education improvement district shall be signed by every
94 member of the House of Representatives and the Senate whose districts are wholly or
95 partially located within the education improvement district and shall be conditioned upon:

96 (1) The adoption of a resolution consenting to the creation of the education
97 improvement district by:

(A) Each local board of education which is included within the education improvement district if such district is to be established for the benefit of one or more public schools of the local board of education; and

(B) The governing board of each special school which is included within the education improvement district if such district is to be established for the benefit of any such special school; and

(2) Approval by a majority of the qualified electors residing within the limits of the education improvement district voting in a referendum thereon. Such referendum shall identify the tax rate to be levied, the specific facility or facilities or land for which the ad valorem taxes collected under Paragraph V of this section will be used, and the estimated maximum costs relating to the facility or facilities. Any referendum held pursuant to this subparagraph shall be conducted only on the Tuesday after the first Monday in November in odd-numbered years or on the date of the presidential preference primary, general primary, or general election in even-numbered years.

Paragraph V. **Levy.** The administrative body of each education improvement district may be authorized to levy ad valorem taxes within the education improvement district only on real property and specifically excluding tangible personal property and intangible property. The tax rate charged by the education improvement district may not exceed the rate specified in the referendum. Any such ad valorem tax shall not apply to the homestead property of any person residing within the education improvement district who is 62 years of age or older. Any such tax shall be collected by the county or counties in which the education improvement district is located in the same manner as ad valorem taxes levied by such county or counties. The proceeds of such taxes so levied, less such fee to cover the costs of collection as may be specified by law, shall be transmitted by the collecting county or counties to the administrative body of the education improvement district and shall be expended by such administrative body for the purpose authorized by this section. The administrative body of the education improvement district may not use such ad valorem taxes to fund any facility or land purchase other than the specific facility or facilities or land purchase specified in the referendum.

Paragraph VI. **Cooperation with local governments.** The facilities and land purchases provided pursuant to this section shall be provided for in a cooperative agreement executed jointly by the administrative body and one or more applicable local boards of education or, in the case of a special school or special schools, the governing body or bodies thereof. The provisions of this section shall in no way limit the authority of any local board of education or governing body of a special school to provide facilities or land within any education improvement district. An education improvement district shall have no control or management over a local school system.

135 Paragraph VII. **Regulation by general law.** The General Assembly by general law may
136 regulate, restrict, and limit the creation of education improvement districts and the exercise
137 of the powers of administrative bodies of education improvement districts."

138 **SECTION 2.**

139 The above proposed amendment to the Constitution shall be published and submitted as
140 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
141 above proposed amendment shall have written or printed thereon the following:

142 "() YES Shall the Constitution of Georgia be amended so as to authorize the General
143 Assembly to provide by local law for the creation and comprehensive
144 () NO regulation of education improvement districts for the provision of facilities
145 or land for one or more public or special schools?"

146 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."
147 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
148 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
149 become a part of the Constitution of this state.